

Fraud & Forgery

The FBI's Uniform Crime Reporting System does not include fraud, false pretenses, forgery, embezzlement, and confidence games among larceny. Yet in many cases, fraud is a much more serious crime than theft. Victims of check forgery and "con" games stand to lose thousands of dollars. Often added to this loss is the personal humiliation that accompanies being "duped" by a "con man." The confidence game crook, a particularly crafty breed of criminal who has no qualms with deceiving his victims face-to-face, expects (often correctly) that his victim's embarrassment will deter him or her from reporting the crime to the police.

In 2000, 381 incidents of fraud and forgery were reported to the Cambridge Police, ranging from simple check forgery to elaborate confidence swindles. This total is a 15% increase from the 331 incidents reported during 1999.

Crime	1999	2000
Counterfeiting	6	4
Forgery/Uttering	247	274
Application	0	8
Bad Check	36	36
Forged Check	61	71
Credit/ATM Card	150	159
Con Games	35	31
Big Carrot	6	4
Utility Impostor	1	3
Pigeon Drop	5	4
Charity Impostor	2	1
Psychic Swindle	0	2
Travel Scam	1	2
Odd Jobs	8	0
Cash Shuffle	1	1
Miscellaneous	11	14
Embezzlement	63	56
Identity Theft	15	16

Counterfeiting

Counterfeiting is one of the more devious types of fraud. True counterfeiters invest thousands of dollars for counterfeiting equipment to produce near copies of genuine dollar bills. The four incidents reported this year in Cambridge varied greatly. The four incidents included the passing of counterfeit money orders, the passing of counterfeit five-dollar bills at the Galleria, the passing of counterfeit one hundred dollar bills, and a food deliveryman who reported receiving a counterfeit twenty-dollar bill. Very likely, many counterfeit bills were passed and went undetected. The preferred tactic is to buy a low-value item with the forged bill, and receive genuine change. Counterfeiting is a federal crime and generally falls under the jurisdiction of the U. S. Secret Service, though the Cambridge Police Department often takes the initial report.

Applications

Forgery of applications occurs when a suspect goes into a commercial establishment and applies for a store credit card. After the application is falsely filled out, the suspect charges merchandise on the credit card and then never pays the balance. The majority of application forgeries that were reported this year occurred at the Kay Jewelers located at the Galleria Mall. Suspects opened charge accounts under false names and charged thousands of dollars of jewelry. Arrests were made in two of the incidents.

Bad Checks

The writing of checks on insufficient funds or closed accounts is what constitutes this crime. This number is low because most "bounced" checks are not reported as criminal incidents, particularly if it seems to be an innocent mistake. Though some individuals are serial "paper hangers," there were no patterns reported in Cambridge in 2000.

Forged Checks

The fraudulent use of a lost or stolen check, with the offender forging the victim's signature. Someone who knows the victim and thus has access to his or her checks—a friend, a family member, a co-worker, or a roommate, often commits this crime. Other check forgery incidents occur following a burglary, a larceny from a motor vehicle, or a larceny from a person.

Credit/ATM Card Fraud

ATM and credit card fraud were once categorized separately, but with the proliferation of "check cards," the line between them has become blurred. Credit card fraud has become the most common type of fraud, and it is increasing every year. Since "check cards" can deplete entire accounts within hours without the offender having to know the victim's PIN, owners of these cards should keep a close watch on them. Typically, the amount of money for which

the victim is liable is higher on “check cards” than on credit cards.

“Con” Games

(A description of the con games described below, and others, appears on the following page.)

The most devious breed of fraud offender employs “flim flams” or “con games” which exploit the victim’s good will, gullibility, or greed and bilk them for what often amounts to thousands of dollars. We are warned to beware of offers that are “too good to be true,” but our defenses are many times overcome by the belief that an offer is “too good to pass up.”

Incidents of the “**Big Carrot**” scam slowed down a bit this year. The scam involves a group of swindlers, pretending to be employees of various Galleria stores, take cash from victims in exchange for laptop computers that they never deliver. One variation of the “big carrot” was reported in April when a man called his victim and told him that his laptop he ordered was backordered. The man told the victim that he could give him a good deal if he could pay with cash that night. The victim became suspicious and called the police, leading to an arrest. None of the men arrested this year seem to be the ringleader—the artist who plans the scams and calls the victims.

Three “**Utility Impostor**” scams were reported in November this year. In the first incident, a resident scared off the suspect. The other two incidents involved men pretending to be from the water department. In one of those incidents, the men convinced an elderly woman to let them in and they proceeded to rummage through her belongings.

Four **pigeon drops** were reported this year. Suspects targeted middle-aged women in Central Square and Harvard Square. One victim lost \$4,000 in cash. Suspects were two Hispanic or black females between 35 and 45 years old.

Embezzlement

Embezzlement occurs when the employee of a company takes advantage of his position for his own financial gain, diverting company funds to him. The means by which the offender accomplishes the embezzlement varies, from store clerks crediting false returns to their personal accounts, to shady employees not depositing money in the bank or making off with merchandise, to company accountants forging corporate records. Most of the incidents involve amounts between \$400 to \$6000 dollars.

There is a growing incidence of “blue collar embezzlement” in which store clerks—often

juveniles—leave work with the day’s deposits or a selection of merchandise. In a fairly common scenario, the clerk allows a friend to buy merchandise at greatly reduced cost, or allows a family member to smuggle expensive items out of the store. Unfortunately, a booming economy means that stores are forced to be less scrupulous about who they hire, and many stores are finding that their new employees have no qualms over funding a night at the movies with cash skimmed from the store’s register. Galleria and Harvard Square stores are affected most; many of those charged with this crime are juveniles from Boston.

Identity Theft

This serious type of fraud has become a national concern, particularly with the proliferation of personal information on the Internet. The Cambridge Police Department received sixteen reports of this crime in 2000, but because it crosses state and national boundaries, it would be unusual for a municipal police department to be able to follow the paper trail to its source. In 1998, the Federal Trade Commission was tasked with the responsibility for collecting information and investigating cases of identity theft. The FTC estimates that 40,000 people have their identities swiped each year.

How does someone steal your identity? Usually, all it takes is your name, date of birth, and social security number, which an identity thief can glom from multiple sources: your driver’s license; your loan, credit card, or mortgage applications; information you give over the Internet; even your garbage. Armed with this information, the thief assumes your identity and applies for credit cards, loans, and mortgages; orders products you can’t pay for; steals from your checking or savings account; obtains professional licenses, driver’s licenses, and birth certificates in your name; submits fake medical bills to private insurers; and otherwise makes a mess of your life and finances. If he is an all-around criminal, he may use your identification in his criminal enterprises. Eventually, a warrant may be issued with your name on it.

The damage can range from minor (you have to cancel some credit cards) to moderate (your credit report is ruined and you spend months straightening out your finances) too extremely serious (you get pulled over for speeding and suddenly find yourself in jail on a warrant for dealing cocaine in Miami).

In any event, the Federal Trade Commission is now authorized to help you out. If you would like more information, or if you are a victim of identity theft, you can call the local FTC office at 617-424-5960 or visit their location at 101 Merrimac Street, Suite 810, Boston, MA 02114-4719.

The Con-cise Con-cyclopedia

Big Carrot

An elaborate scam in which the con man contacts his victim at the victim's place of business, and claims to have a brother or friend who works at a retail store and can offer the victim a laptop computer or other expensive item at a great price. The victim meets the swindler at the retail store and hands over thousands in cash in exchange for a phony store receipt. The victim is then told to wait or go to the receiving area to pick up the merchandise. The swindler disappears and is never seen by the victim again. A group operating out of Somerville or Everett has pulled this scam all over New England. Multiple arrests have not ended the scheme.

Cash Shuffle

A fast-talking swindler enters a retail store and looks for a young or inexperienced cashier. The con man asks for change for, say, a \$20 bill. By distracting the victim with a constant stream of chatter, "changing his mind" about the denominations he wants, handing bills back and forth, confusing the cashier about whose money is whose, and so on, the con artist manages to walk out of the store with two to five times the amount he entered with—leaving the slightly dumbfounded cashier thinking he has only "made change."

Charity Impostor

An unsophisticated type of scam, the charity impostor simply involves someone posing as a charity worker, collecting cash, which then simply goes into the con man's pocket. The charity impostor may conduct his business door-to-door, or he may stand in the street. We had only had two reports for this scam in 1999, probably because many of the victims never learned they had been tricked.

Odd Jobs

A man shows up at your house. He is poor. He has six kids to feed. He'll weed your garden, paint your house, or trim your tree. You give him cash or a check to clean your yard. He leaves, having cleaned nothing but your wallet. For years, most of these scams have been pulled by the same Cambridge resident. Few of his well-meaning victims—having only lost \$20-\$60—report the crimes.

Pigeon Drop

A pair of swift-talking con men or women pretend to have found a wallet with cash in it. They stop passer-by and claim ignorance about what to do with the money. They offer to share it with the victim. What happens next is usually confusing, but the con artists manage to get the victim to give them "good faith" money, or collateral, for her (the victim is almost always female) share, then they leave the victim with worthless paper or nothing at all. These schemes tend to be very convoluted and defy easy explanation. The three incidents this year follow the same pattern with similar suspect descriptions. Amounts ranging from three hundred to fourteen thousand dollars were handed over.

Psychic Swindle

A troubled victim visits a psychic, who tells the victim that the source of his or her trouble is "tainted money." The victim is told to bring the money—usually several thousand dollars—to the psychic, who will perform a "cleansing ritual" on it to remove the taint. Curiously, the subsequent "cleansing ritual" seems to involve the psychic spending the money on nice things for herself. In any event, the ritual goes on indefinitely and the money is never returned to the victim. No reports for this crime have been taken since early 1998; perhaps the psychics have reformed their ways, but after consulting the cards, we believe we have a better explanation: that embarrassed victims simply are not coming forward.

Travel Scam

Various travel & tourism related swindles, including overpricing and non-delivery of airline tickets. Ten reports taken in 1998 all identified one of two agencies in East Cambridge and Area 4. Multiple charges brought against these agencies have ended the problem and there have been no 1999 incidents reported.

Utility Impostor

This is an ongoing scam in Cambridge, though only one has been reported in 1999. Traditionally two or three middle-aged men show up at the house of an elderly resident, claiming to work for a utility company. They trick their way into the house and one distracts the victim while the others prowl the house looking for valuables.